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C O N F I D E N T I A L SECTION 01 OF 04 TAIPEI 000411

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SUBJECT: NOTES ON TAIWAN'S PRESIDENTIAL CANDIDATES: MA
YING-JEOU AND FRANK HSIEH

Classified By: AIT Director Stephen M. Young, Reason 1.4 (b/d)

¶1. (C) Summary: This cable provides biographical information on DPP presidential candidate Frank Hsieh (Chang-ting) and KMT candidate Ma Ying-jeou, including personality, leadership styles and views on dealing with the United States. Widely known as a cosmopolitan thinker with a sharp wit, Hsieh initially ran a moderate campaign focused on economic development and upholding Taiwan's sovereignty and dignity in the face of Chinese pressure, but in the closing weeks he increasingly turned to negative attacks on Ma's integrity and loyalty as well as his China policy. Hsieh appears to value strong U.S.-Taiwan ties, and to understand Washington's desire for cross-Strait stability. Ma, with a reputation as a telegenic, pragmatic, and clean politician, has run a moderate, conservative campaign focused on criticizing the DPP government's performance, improving the economy, and establishing constructive engagement with China. Ma's policy positions have at times put him at odds with key groups within his party, so that he will need to work out power sharing relations with other powerful party leaders if elected. Ma has spent the last few weeks of the campaign fending off attacks from Hsieh and the DPP, trying to protect his once-formidable lead. His failure at times to effectively confront Hsieh's negative campaigning head-on has caused some, including his own supporters, to question his leadership abilities. Ma has vowed to restore U.S.-Taiwan relations, and never to sacrifice the U.S.-Taiwan security relationship to placate China. Both candidates promise to be more adept and pragmatic in dealing with the United States and China than the man they would replace. End Summary.

DPP Presidential Candidate Frank Hsieh

¶2. (C) DPP presidential candidate Frank Hsieh (Chang-ting) advocates social and economic policies that are intended to help the disadvantaged and to improve the environment. Relatively moderate, Hsieh takes a practical, flexible approach to cross-Strait and other sensitive issues, in notable contrast to the Deep Green ideological approach. To distinguish himself from KMT candidate Ma Ying-jeou in the current election campaign, however, Hsieh is stressing that he will protect Taiwan's sovereignty and dignity when engaging China. Hsieh emphasizes maintaining consistency in

his policy positions, although he stakes out positions that are broad enough to allow him room to maneuver and defend himself when attacked. Hsieh has deep Buddhist spiritual beliefs, and spends considerable time in thought and meditation. Well known for intelligence and sharp wit, admirers describe Hsieh as "charming," while detractors say he can be "tricky" or "devious." Some people have criticized him for being "lazy" and not running a tight enough ship as an administrator.

¶3. (C) Born in a poor neighborhood in Taipei City in 1946, Hsieh transferred from a commercial college to the National Taiwan University Law School, where he achieved fame by taking the top marks in Taiwan's notoriously difficult bar examination after his junior year in college. After graduate study in law at Kyoto University, Hsieh became a leading attorney in Taipei, representing prominent Taiwan business clients. His career path took a dramatic change in 1980 when he joined Chen Shui-bian, Su Tseng-chang, and others on the team of lawyers defending the Kaohsiung Incident defendants. Subsequently, Hsieh turned from law to politics, first winning election as a Taipei City Councilor in 1981 and then helping to found the DPP in 1986.

¶4. (C) In 1994, Hsieh competed with Chen Shui-bian for the DPP nomination for Taipei Mayor, but dropped out of the race after "betrayal," in his view, by the New Tide faction, which threw its support to Chen. Hsieh has had rather frosty relations with some New Tide leaders ever since this "betrayal." After serving as DPP candidate Peng Ming-min's running mate in the 1996 presidential election, Hsieh moved to Kaohsiung, where he won mayoral elections in 1998 and 2002, earning high marks for his strong performance as mayor. Hsieh did not complete his second term, however, as his

TAIPEI 00000411 002 OF 004

sometime rival Chen Shui-bian recruited him to serve as premier in January 2005. Chen kept him in this position for just one year, removing him after the DPP's landslide loss in the December 2005 local elections. Hsieh has also served as a legislator (1990-1996) and as DPP Chairman (July 2000-July 2002). To lay groundwork for his presidential bid, Hsieh ran for Taipei mayor in 2006 in a campaign that focused on making a strong showing rather than trying to win an upset victory in a Blue-majority city. Well known for his personal philanthropy, Hsieh is married to Yu Fang-chih and they have a daughter and an adopted son.

¶5. (C) Hsieh is his own campaign strategist and is even careful to vet all scheduling details. Generally, Hsieh tries to avoid having overly detailed policy papers, especially ones written by academics, because he fears his opponents will pick apart such documents to find ammunition for attacks against him. Unlike the hyperactive Chen Shui-bian, Hsieh sets aside plenty of time for meditation, thinking, reading and planning. Some DPP contacts more used to Chen's activist style worry that Hsieh does not make enough campaign appearances. While Chen appears to gain energy from pressing the flesh, Hsieh does not enjoy direct contact with the public. Nonetheless, Hsieh is a very forceful and eloquent speaker on the campaign stage. When confronted with potentially embarrassing questions, Hsieh regularly uses humor to deflect the issue. For example, when asked by reporters about joining the KMT when he was young, Hsieh responded, "Yeah, I thought we were going to recover the mainland."

¶6. (C) Hsieh is careful to stick to his established policy positions, even when they become unpopular within the DPP, and he plays political hard ball when necessary. During and following a contentious DPP primary last year, Hsieh fought off the drive by then-DPP Chairman Yu Shyi-kun to box him in with Deep Green ideological positions. Nonetheless, Hsieh also works to create broad coalitions, including with those whose views may differ from his own. While Kaohsiung Mayor, he succeeded over time in establishing a working relationship

with the KMT-controlled City Council that enabled him to achieve his policy goals. As a candidate, Hsieh has brought on board a very broad range of supporters and campaign workers from inside and outside the party. If elected president, Hsieh has said he would take a different political approach than Chen Shui-bian, consulting with the KMT over the premiership and cabinet appointments, which of course has become a virtual necessity given the 3/4 KMT majority in the Legislative Yuan (LY).

¶7. (C) Hsieh believes Taiwan's future depends on strengthening its international connections, and he well understands the special importance of the United States, especially for Taiwan's security. Hsieh has stressed that, if elected, he would move to restore trust in U.S.-Taiwan relations by strengthening communications and avoiding the political "surprises" that have troubled bilateral relations during the Chen administration. Hsieh was an IV grantee in 1983 and spent a brief period as a visiting fellow at Harvard University in 2006. He speaks English at about an S-3 level.

KMT Presidential Candidate Ma Ying-jeou

¶8. (C) KMT Presidential candidate Ma Ying-jeou has emerged as the party's best hope to retake the presidency. Ma centered his campaign around two interconnected themes: economic recovery for Taiwan through increased engagement with China. Promising to be a "peacemaker, not a troublemaker," Ma has also pledged to restore U.S.-Taiwan relations. Ma's greatest weakness is his "waishengren" (mainlander) status. Born in Hong Kong to a blue-blood KMT family, Ma must constantly defend against accusations that he would "sell out" Taiwan to get closer to China. Ma's good looks, gentlemanly demeanor, and "clean" reputation contribute to his "movie star" popularity, especially among rank-and-file KMT members, young people and women. He is less popular among party elites, including former KMT Chairman Lien Chan and LY Speaker Wang Jin-pyng, who

TAIPEI 00000411 003 OF 004

unsuccessfully opposed many of the reforms Ma pushed through while KMT party chairman. Ma is a member of the Taipei elite, but sought to broaden his perspective and his support base through a series of "long-stays" in central and southern Taiwan.

¶9. (U) Ma and his family moved to Taiwan in 1951, when Ma was one year old. Ma graduated with a law degree from the prestigious National Taiwan University in 1972. He obtained an LL.M. from New York University in 1976 and an S.J.D. from Harvard in 1981. Ma returned to Taiwan in 1981, to serve as personal secretary to President Chiang Ching-kuo, until Chiang's death in 1988. Ma served as Mainland Affairs Council Vice Chairman from 1991-93, and as Justice Minister from 1993-1996.

¶10. (C) In 1998, Ma defeated then-incumbent Taipei Mayor Chen Shui-bian. Ma finished his second mayoral term in December 2006. In July 2005, Ma defeated rival KMT LY Speaker Wang Jin-pyng to become KMT Chairman. While Chairman, Ma pushed through a host of reforms intended to make the party more transparent and democratic. Though they improved the party's image dramatically, Ma's reforms were staunchly opposed by the party's old guard. Ma resigned his chairmanship in February 2007, after being charged with misuse of Taipei mayoral office accounts. Ma declared himself candidate for the KMT presidential nomination the same day. (Note: Ma has been acquitted twice, and prosecutors have filed their final appeal. End note.) Ma is married to Chou Mei-ching (Christine), and has two daughters.

¶11. (C) Ma came into the KMT at the highest levels, and did not work his way up through the lower ranks like most of his contemporaries. As such, Ma never developed the personal connections or deal-making flexibility one usually needs to

make it to the top. Those who know Ma well claim he is warm and personable, but others complain he can be too reserved, even standoffish. Ma relies on a small circle of personal advisers, mostly academics from outside the party, to fix campaign strategy and other key policies. Based on their recommendation, Ma went forward with a KMT version of the UN referendum. The decision was wildly unpopular with the "deep-Blue" wing of the KMT.

¶12. (C) Many, both in and outside of the KMT, have questioned Ma's resolve and vision, and his ability to lead. For example, his delay in responding to Hsieh's initial accusations regarding his U.S. "green card" and subsequent handling of the issue, his reluctant decision to back the efforts to recall President Chen and waffling support for the anti-Chen Red Shirt movement, and his failure to successfully court his main rival, Wang Jyn-ping, to be his running mate, prompted internal party sources, political rivals, and the media to criticize his decision-making skills. More recently, however, his quick response and multiple apologies for the actions of several KMT legislators who stormed Hsieh's Taipei presidential headquarters and his criticism of Beijing's crack-down against protesters in Tibet, suggests he may be more attuned to the need for swift action when crises occur. (Note: In a recent meeting with AIT, the veteran KMT Secretary General noted how much Ma has "matured" as a

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politician over the past year.)

¶13. (C) Ma is respectful of what he judges to be the critical Taiwan-U.S. relationship, but his approach to Washington probably will be limited by the dominant mood within the KMT at the time. The KMT's Director of Overseas Affairs Ho Szy-yin told AIT that Ma's first priority as president will be to rebuild mutual trust in U.S.-Taiwan relations. Ma has told AIT that he will work closely with Washington to restore the full vitality of the bilateral relationship and pledged, if he wins, to express his support for the primacy of Taiwan-U.S. relations in his acceptance speech. Ma has assured AIT that when dealing with China he will be a "peacemaker, not a troublemaker", and that he will not sacrifice the U.S.-Taiwan security relationship to placate China. Ma has lived, worked, and studied in the U.S. and was an IV grantee in 1981. He speaks excellent English.

TAIPEI 00000411 004 OF 004

Conclusion

¶14. (C) Both of these candidates bring a sophistication and experience not possessed by Chen Shui-bian when he won the presidency 8 years ago. Their study abroad, upbringing in Taipei and experience in national politics also distinguish them from the man they would replace. Hsieh and Ma also have much more experienced cadre from within their respective parties to staff a central government than Chen had at his disposal in 2000. Perhaps most important, both candidates have learned from observing Chen's mistakes in dealing with both Washington and Beijing, and seem ready to rule more pragmatically as a result. All of this bodes well for our relations with the successful candidate in this weekend's balloting.

YOUNG